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BC Govt Report Says Phase Out CAC's

Saanich is planning policies to establish standard Community Amenity Contributions (CAC's) and Inclusionary Housing, both of which add costs to new housing. Prices already average more than \$1 million for a single detached home.

The BC government's recent report on housing affordability, called "Opening Doors," recommends phasing out CAC's because they incentivize municipalities to keep zoning below appropriate density levels.

The report says, "zoning based charges (CACs) discourage proactive zoning for more homes... Indeed, local governments can generate CAC revenue by keeping zoning below levels that make redevelopment possible and selling additional 'air rights' through the zoning powers they have been delegated."

The municipality claims establishing a standard CAC creates "certainty" but the only certainty is the added cost to homes in an already unaffordable market.

Saanich also claims revenue is needed for local amenities associated with new housing. However, they generated almost \$2 million in surplus last year from building permits, despite 40% fewer housing starts than 2017.

The reason is permit fees increase with the cost of lumber and other materials, labour, etc, not the cost of inspections.

In addition, Saanich increased Development Cost Charges by 100%+ two years ago to pay for costs associated with new development including sewer, water, roads and parks.

As for Inclusionary Housing, a study called the "The Effect of New Market-Rate Housing Construction on the Low Income Housing Market" by Evan Mast reveals Inclusionary Zoning may discourage and decrease housing. Less housing at all prices eliminates migration chains that would enable homes in low-income neighborhoods to be freed up for new occupants.

Also, inclusionary housing units are subsidized by the buyers of the other units in the project. Social housing should be paid for by government, not homebuyers' mortgages.

Saanich's focus should be on efficient permit processes, rezonings and boosting supply.

This would encourage more migration chains and more housing at all price points as demonstrated by the Mast study.

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